



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2324

Introduced 1/12/2006, by Sen. Bill Brady

SYNOPSIS AS INTRODUCED:

New Act

Creates the Credit Report Protection Act. Provides that a consumer may place a security freeze on his or her credit report by making a request to a consumer credit reporting agency. Provides that if a security freeze is in place, a consumer credit reporting agency shall not modify certain information in a consumer credit report without sending a written confirmation of the change to the consumer within 30 days of the change being posted to the consumer's file. Provides that a consumer credit reporting agency may charge a reasonable fee to a consumer that elects to freeze, remove the freeze, or temporarily lift the freeze, except that a consumer credit reporting agency shall not charge a fee to a victim of identity theft that has submitted a valid police report. Provides that a consumer credit reporting agency shall supply files and credit report information to a consumer during normal business hours and on reasonable notice, subject to certain conditions. Provides certain exemptions. Effective immediately.

LRB094 15735 LCT 50947 b

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Credit Report Protection Act.

6 Section 5. Definitions. In this Act:

7 "Security freeze" means a notice placed in a consumer's
8 credit report, at the request of the consumer and subject to
9 certain exceptions, that prohibits the consumer credit
10 reporting agency from releasing the consumer's credit report or
11 any information from it without the express authorization of
12 the consumer.

13 Section 10. Credit report security freeze.

14 (a) A consumer may elect to place a security freeze on his
15 or her credit report by making a request in writing by
16 certified mail to a consumer credit reporting agency. When a
17 security freeze is in place, information from a consumer's
18 credit report may not be released to a third party without
19 prior express authorization from the consumer. This subsection
20 shall not prevent a consumer credit reporting agency from
21 advising a third party that a security freeze is in effect with
22 respect to the consumer's credit report.

23 (b) If a consumer requests a security freeze, the consumer
24 credit reporting agency shall disclose the process of placing
25 and lifting a freeze and the process for allowing access to
26 information from the consumer's credit report for a specific
27 purpose while the freeze is in place.

28 (c) A consumer credit reporting agency shall place a
29 security freeze on a consumer's credit report no later than 5
30 business days after receiving a written request from the
31 consumer.

1 (d) The consumer credit reporting agency shall send a
2 written confirmation of the security freeze to the consumer
3 within 10 business days after receiving the request and shall
4 provide the consumer with a unique personal identification
5 number or password to be used by the consumer when providing
6 authorization for the release of his or her credit for a
7 specific purpose.

8 (e) If the consumer wishes to allow his or her credit
9 report to be accessed for a specific party or period of time
10 while a freeze is in place, he or she shall contact the credit
11 reporting agency, request that the freeze be temporarily
12 lifted, and provide all of the following:

13 (1) Proper identification, as defined in subsection
14 (c) of Section 25 of this Act.

15 (2) The unique personal identification number or
16 password provided by the credit reporting agency pursuant
17 to subsection (d) of this Section.

18 (3) The proper information regarding the third party
19 who is to receive the credit report or the time period for
20 which the report shall be available to users of the credit
21 report.

22 A consumer credit reporting agency that receives a request
23 from a consumer to temporarily lift a freeze on a credit report
24 pursuant to this subsection shall comply with the request no
25 later than 3 business days after receiving the request.

26 A consumer credit reporting agency may develop procedures
27 involving the use of telephone, fax, the Internet, or other
28 electronic media to receive and process a request from a
29 consumer to temporarily lift a freeze on a credit report
30 pursuant to this subsection in an expedited manner.

31 (f) A consumer credit reporting agency shall remove or
32 temporarily lift a security freeze placed on a consumer's
33 credit report only in the following cases:

34 (1) upon the consumer's request; or

35 (2) if the consumer's credit report was frozen due to a
36 material misrepresentation of fact by the consumer. If a

1 consumer credit reporting agency intends to remove a
2 security freeze upon a consumer's credit report pursuant to
3 this item (2), the consumer credit reporting agency shall
4 notify the consumer in writing before removing the security
5 freeze on the consumer's credit report.

6 (g) A consumer credit reporting agency shall require proper
7 identification, as defined in subsection (c) of Section 25, of
8 the person making a request to place or remove a security
9 freeze.

10 (h) If a third party requests access to a consumer credit
11 report on which a security freeze is in effect, and this
12 request is in connection with an application for credit or any
13 other use, and the consumer does not allow his or her credit
14 report to be accessed for that specific purpose, the third
15 party may treat the application as incomplete.

16 (i) The provisions of this Section shall not apply to the
17 use of a consumer report by any of the following:

18 (1) A person or entity, or a subsidiary, affiliate, or
19 agent of that person or entity, or an assignee of a
20 financial obligation owing by the consumer to that person
21 or entity, or a prospective assignee of a financial
22 obligation owing by the consumer to that person or entity
23 in conjunction with the proposed purchase of the financial
24 obligation, with which the consumer has or had prior to
25 assignment an account or contract, including a demand
26 deposit account, or to whom the consumer issued a
27 negotiable instrument, for the purposes of reviewing the
28 account or collecting the financial obligation owing for
29 the account, contract, or negotiable instrument. For
30 purposes of this paragraph, "reviewing the account"
31 includes activities related to account maintenance,
32 monitoring, credit line increases, and account upgrades
33 and enhancements.

34 (2) A law enforcement agency acting pursuant to a court
35 order, warrant, or subpoena.

36 (3) A child support agency acting pursuant to the

1 Illinois Public Aid Code or Title IV-D of the Social
2 Security Act.

3 (4) The Department of Public Aid or its agents or
4 assigns acting to investigate Medicaid fraud.

5 (5) The Department of Revenue or the Internal Revenue
6 Service, or their agents or assigns, acting to investigate
7 or collect delinquent taxes.

8 (6) The use of credit information for the purposes of
9 prescreening as provided for by the federal Fair Credit
10 Reporting Act.

11 Section 15. Modification of information; notice. If a
12 security freeze is in place, a consumer credit reporting agency
13 shall not modify any of the following information in a consumer
14 credit report without sending a written confirmation of the
15 change to the consumer within 30 days of the change being
16 posted to the consumer's file: name, date of birth, age, Social
17 Security number, and address. Written confirmation is not
18 required for technical modifications of a consumer's official
19 information, including name and street abbreviations, complete
20 spellings, or transposition of numbers or letters.

21 In the case of an address change, the written confirmation
22 shall be sent to both the new address and to the former
23 address.

24 Section 20. Fees; copy of credit report. Nothing in this
25 Act shall prevent a consumer credit reporting agency from
26 charging a reasonable fee to a consumer that elects to freeze,
27 remove the freeze, or temporarily lift the freeze regarding
28 access to a consumer credit report, except that a consumer
29 credit reporting agency shall not charge a fee to a victim of
30 identity theft that has submitted a valid police report.

31 Section 25. Disclosure of credit information.

32 (a) A consumer credit reporting agency shall supply files
33 and credit report information during normal business hours and

1 on reasonable notice. A consumer has the right to request and
2 receive all of the following:

3 (1) Either a decoded written version of the file or a
4 written copy of the file, including all information in the
5 file at the time of the request, with an explanation of any
6 code used.

7 (2) A credit score for the consumer, the key factors,
8 and the related information.

9 (3) A record of all inquiries, by recipient, which
10 result in the provision of information concerning the
11 consumer in connection with a credit transaction that is
12 not initiated by the consumer and which were received by
13 the consumer credit reporting agency in the 12-month period
14 immediately preceding the request for disclosure under
15 this Section.

16 (4) The recipients, including end users, of any
17 consumer credit report on the consumer that the consumer
18 credit reporting agency has furnished:

19 (A) for employment purposes within the 2-year
20 period preceding the request; or

21 (B) for any other purpose within the 12-month
22 period preceding the request.

23 Identification for purposes of this subsection shall
24 include the name of the recipient or, if applicable, the
25 fictitious business name under which the recipient does
26 business disclosed in full. If requested by the consumer, the
27 identification shall also include the address of the recipient.

28 (b) Files maintained on a consumer shall be disclosed
29 promptly as follows:

30 (1) In person, at the location where the consumer
31 credit reporting agency maintains the trained personnel
32 required by subsection (d) of this Section, if he or she
33 appears in person and furnishes proper identification.

34 (2) By mail, if the consumer makes a written request
35 with proper identification for a copy of the file or a
36 decoded written version of that file to be sent to the

1 consumer at a specified address. A disclosure pursuant to
2 this item (2) shall be deposited in the United States mail,
3 postage prepaid, within 5 business days after the
4 consumer's written request for the disclosure is received
5 by the consumer credit reporting agency. Consumer credit
6 reporting agencies complying with requests for mailings
7 under this Section shall not be liable for disclosures to
8 third parties caused by mishandling of mail after the
9 mailings leave the consumer reporting agencies.

10 (3) A summary of all information contained in files on
11 a consumer shall be provided by telephone, if the consumer
12 has made a written request, with proper identification for
13 telephone disclosure.

14 (4) Information in a consumer's file required to be
15 provided in writing under this Section may also be
16 disclosed in another form if authorized by the consumer and
17 if available from the consumer credit reporting agency. For
18 this purpose a consumer may request disclosure in person,
19 by telephone upon disclosure of proper identification by
20 the consumer, by electronic means if available from the
21 consumer credit reporting agency, or by any other
22 reasonable means that is available from the consumer credit
23 reporting agency.

24 (c) "Proper identification", as used in subsection (b) of
25 this Section, means that information generally deemed
26 sufficient to identify a person. Only if the consumer is unable
27 to reasonably identify himself or herself may a consumer credit
28 reporting agency require additional information concerning the
29 consumer's employment and personal or family history in order
30 to verify his or her identity.

31 (d) The consumer credit reporting agency shall provide
32 trained personnel to explain to the consumer any information
33 furnished to him or her.

34 (e) The consumer shall be permitted to be accompanied by
35 one other person of his or her choosing, who shall furnish
36 reasonable identification. A consumer credit reporting agency

1 may require the consumer to furnish a written statement
2 granting permission to the consumer credit reporting agency to
3 discuss the consumer's file in that person's presence.

4 (f) Any written disclosure by a consumer credit reporting
5 agency to any consumer pursuant to this Section shall include a
6 written summary of all rights the consumer has under this Act
7 and in the case of a consumer credit reporting agency that
8 compiles and maintains consumer credit reports on a nationwide
9 basis, a toll-free telephone number that the consumer can use
10 to communicate with the consumer credit reporting agency. The
11 written summary of rights required under this Act is sufficient
12 if in substantially the following form:

13 "You have a right to obtain a copy of your credit file from
14 a consumer credit reporting agency. You may be charged a
15 reasonable fee not exceeding \$10. There is no fee, however, if
16 you have been turned down for credit, employment, insurance, or
17 a rental dwelling because of information in your credit report
18 within the preceding 60 days. The consumer credit reporting
19 agency must provide someone to help you interpret the
20 information in your credit file.

21 You have a right to dispute inaccurate information by
22 contacting the consumer credit reporting agency directly.
23 However, neither you nor any credit repair company or credit
24 service organization has the right to have accurate, current,
25 and verifiable information removed from your credit report.
26 Under the federal Fair Credit Reporting Act, the consumer
27 credit reporting agency must remove accurate, negative
28 information from your report only if it is over 7 years old.
29 Bankruptcy information can be reported for 10 years.

30 If you have notified a credit reporting agency in writing
31 that you dispute the accuracy of information in your file, the
32 consumer credit reporting agency must then, within 30 business
33 days, reinvestigate and modify or remove inaccurate
34 information. The consumer credit reporting agency may not
35 charge a fee for this service. Any pertinent information and
36 copies of all documents you have concerning an error should be

1 given to the consumer credit reporting agency.

2 If reinvestigation does not resolve the dispute to your
3 satisfaction, you may send a brief statement to the consumer
4 credit reporting agency to keep in your file explaining why you
5 think the record is inaccurate. The consumer credit reporting
6 agency must include your statement about disputed information
7 in a report it issues about you.

8 You have a right to receive a record of all inquiries
9 relating to a credit transaction initiated in 12 months
10 preceding your request. This record shall include the
11 recipients of any consumer credit report.

12 You may request in writing that the information contained
13 in your file not be provided to a third party for marketing
14 purposes.

15 You have a right to place a "security freeze" on your
16 credit report, which will prohibit a consumer credit reporting
17 agency from releasing any information in your credit report
18 without your express authorization. A security freeze must be
19 requested in writing by certified mail and may delay or
20 interfere with the approval of any application you file for a
21 new loan, credit, insurance, or service. When you place a
22 security freeze on your credit report, you will be provided a
23 personal identification number or password to use if you choose
24 to authorize the release of your credit report for a specific
25 purpose after the freeze is in place. To provide that
26 authorization you must contact the consumer credit reporting
27 agency and provide all of the following:

28 (1) The personal identification number or password.

29 (2) Proper identification to verify your identity.

30 (3) The proper information regarding the third party
31 who is to receive the credit report or the period of time
32 for which the report shall be available.

33 A security freeze does not apply to a person or entity, or
34 its affiliates, or collection agencies acting on behalf of the
35 person or entity, with which you have an existing account, that
36 requests information in your credit report for the purposes of

1 reviewing or collecting the account. Reviewing the account
2 includes activities related to account maintenance,
3 monitoring, credit line increases, and account upgrades and
4 enhancements.

5 You have a right to bring a civil action against anyone,
6 including a consumer credit reporting agency, that improperly
7 obtains access to a file, knowingly or willfully misuses file
8 data, or fails to correct inaccurate file data."

9 Section 90. Exemptions.

10 (a) This Act does not apply to a credit reporting agency
11 that acts only as a reseller of credit information by
12 assembling and merging information contained in the data base
13 of another consumer credit reporting agency or multiple
14 consumer credit reporting agencies, and does not maintain a
15 permanent data base of credit information from which new
16 consumer credit reports are produced. A consumer credit
17 reporting agency shall honor any security freeze placed on a
18 consumer credit report by another consumer credit reporting
19 agency.

20 (b) The following entities are not required to place a
21 security alert or a security freeze in a credit report:

22 (1) A check services company that issues
23 authorizations for the purpose of approving or processing
24 negotiable instruments, electronic funds transfers, or
25 similar methods of payments.

26 (2) A demand deposit account information service
27 company that issues reports regarding account closures due
28 to fraud, substantial overdrafts, ATM abuse, or similar
29 negative information regarding a consumer to inquiring
30 banks or other financial institutions for use only in
31 reviewing a consumer request for a demand deposit account
32 at the inquiring bank or financial institution.

33 Section 99. Effective date. This Act takes effect upon
34 becoming law.